

RETAIL INVESTORS' FINANCIAL RISK TOLERANCE AND THEIR RISK-TAKING BEHAVIOUR: THE ROLE OF DEMOGRAPHICS AS DIFFERENTIATING AND CLASSIFYING FACTORS

M. KANNADHASAN

Financial risk tolerance (FRT) and financial risk behaviour (FRB) play a crucial role in individual choices on wealth accumulation, retirement planning, portfolio allocation, insurance, and all other investment and finance related decisions that are dependent on this behaviour. Choosing a portfolio which is inconsistent with an individual's financial risk tolerance may result in investor disappointment and may increase the financial stress of the individual, which, in turn, may affect his/her overall behaviour. Previous studies have investigated a number of factors namely, demographic, social, environmental, and psychological factors across countries over a period of time. However, it is imperative to

assess the impact of these factors periodically as FRT varies from one person to another, one time to another, and one country to another. Secondly, owing to the sub-prime mortgage crisis in 2008 and Greece crisis in 2010, the value of assets (such as equity) decreased and inflation increased, weakening the currency value (in India in particular) and increasing unemployment or salary cuts. This increased the financial vulnerability of investors. Such a scenario changes the level of FRT and emphasises the importance of a periodical assessment of FRT. No study has been conducted so far to understand the role of demographic factors in differentiating the level of FRT among retail

investors as well as classifying the retail investors into different FRT categories. Therefore, this study intends to examine the role of demographics as differentiating and classifying factors of retail investors. The study addresses this objective successfully. Four of the six demographic factors were found to be useful factors in differentiating among the level of FRT and FRB of retail investors as well as classifying them into different FRT and FRB categories. This result confirms that demographic factors do play a crucial role as differentiating and classifying factors and practitioners would do well to continue to use them in the future.

OCCUPATIONAL STRESS IN THE ARMED FORCES: AN INDIAN ARMY PERSPECTIVE

Sakshi SHARMA

The Indian army assumes tremendous responsibility and encounters a wide range of challenges in protecting the country and its people against external aggression and internal insecurity. However, in the past decade, the Indian army has witnessed suicides and fratricides by its soldiers, due to occupational stress. In this context, research was conducted to outline the occupational stressors triggering a stressful atmosphere in the Indian army through 415 soldiers selected from the Combat arms

(Infantry and Armoured), Combat-support arms (Engineering and Artillery) and Services (EME—Electrical and Mechanical Engineers and ASC—Army Service Corps). The nine stressors explored through Exploratory Factor Analysis were ineffective leadership style, unsupportive colleagues, indifferent organizational attitude, inadequate training, inadequate awareness about profession, workload and job pressure, lack of control at work, role ambiguity, and role conflict. Further,

Confirmatory Factor Analysis validated occupational stressor as an eight factor model in the Indian army. The study recommends commitment-based management approach in the army as an alternative approach to control-based management, and the introduction of regular Sahaja Yoga meditation in the army to improve the psychological and physical well-being of the Indian soldiers.

ROUND TABLE

TELECOMMUNICATIONS AT THE CROSSROADS IN INDIA

Subhashish GUPTA

This round table discussion is titled "Telecommunications at the Crossroads in India". It is oddly reminiscent of the story of the blues legend Robert Johnson reaching a pact with the devil at the crossroads, which, as the story goes, was the source of his marvellous talents. The crossroads referred to here have a more mundane origin. It suggests that the telecommunications industry in India has reached a point where it has to travel in a different direction. Nevertheless, we can allude to some satanic compulsions. The way forward can be captured in the old adage: the devil is in the details.

The success of the telecommunications industry, so far, has relied primarily on voice, the primal urge to talk to friends and relatives. There was a pent up demand for voice, which the state owned telecommunications operator, BSNL, MTNL, and VSNL, was unable to fulfil. With the opening up of the telecommunications sector to private participation, this demand was met through innovative services such as pre-paid plans. The teledensity increased and in the last month the number of subscribers has gone beyond 1 billion. There are still another 200 million odd customers to reach. How they will get

connected is a challenge. In the meanwhile, mobile service providers have seen their revenues from voice stagnating. So they need a new source of revenue. Data seem to be a good alternative. Internet usage is also seen as a source of increased efficiency and innovation. So, the government is interested as well. Finally, we citizens and consumers want to get access to the net to access a whole host of services and to become netizens. How to get there is the big question.